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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

Senior Review Panel

NIC 8323-82/1
25 October 1982

MEMORANDUM FOR: Director of Central Intelligence ✓
Chairman, NIC
NIO for Africa

SUBJECT : Senior Review Panel Comments on Draft
IIM - The Outlook for the Zairian Economy,
dated 15 October 1982

1. The Panel generally concurs in the substance of the draft. It sets out much useful information on the Zairian economy, provides a framework within which an equation between economic factors and political stability can subsequently be approximated, and is crisply estimative for "the coming months" defined in the text as through 1983.

2. We assume that there was no Concept Paper and understand that the Terms of Reference (TOR) were circulated only informally in the Community. Generally, for Community products, we consider this questionable practice. //

3. We have the following observations:

a. Format/Length. We doubt the utility to policymakers of the extended treatment and anecdotalism of IMF-Zaire relations from 1974 to 1982. Middle-level policy planners (perhaps the primary consumers for this IIM) will be familiar with the record, and senior policymakers will not embrace the detail. The paper could be much compressed and made more useful by a very brief descriptive account of the Zairian economy and a concise analysis of its current financial position. Agree

b. Defense Impact. We miss any discussion of the impact of Zaire's economic stress on its capacity to absorb foreign military aid or to maintain its armed

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forces at strength and in readiness--perhaps the key element in Mobutu's retention of power, if not in the country's political stability.

c. Private Foreign Investment. Except for Belgium, the text deals preponderantly with the public sector. Is there any significant role for legitimate private enterprise or investment in the economy? Are current trends towards investment or disinvestment?

d. Stability Prognosis. We appreciate both the severely economic focus of the TOR and the uniformly pessimistic projections of the text: "The deterioration of the economy will continue (p. 4). . . "Economic prospects will remain poor for the indefinite future" (p. 6). . . "little can be done to change the economic outlook" (p. 52). . . . The estimate is nonetheless that Mobutu's "chances of remaining in power through 1983 are good." Does this judgment presuppose no new foreign-instigated troubles in Shaba or assume Mobutu's ability to cope? We wonder whether an alternative of lesser probability should not at least be examined. What would be the nature--and likely directions--of a successor regime should one take power in 1983? Would it inherit a central government with the same writ, or is regional/tribal fragmentation a more likely prospect?

e. Mobutu's Options. The text notes that Mobutu may try to strengthen ties with Belgium, France, and Israel to offset any US-Zairian deterioration (p. 53). Should not some estimate of the practicality of this alternative be made?

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